

## Internal Revenue Service, Treasury

## § 49.4251-4

(2) In the case of amounts paid pursuant to bills rendered on or after July 1, 1965, for general telephone service for which no previous bill was rendered, no tax is imposed on that portion of the amount paid pursuant to such bill or bills as is attributable to general telephone service rendered subsequent to April 30, 1965. However, the tax applies to that portion of the amount paid pursuant to any such bill or bills as is attributable to general telephone service rendered prior to May 1, 1965. The tax also applies to amounts paid for general telephone service pursuant to bills rendered before July 1, 1965, without regard to when the payment is made or the service is rendered.

[T.D. 6664, 28 FR 7252, July 16, 1963, as amended by T.D. 6694, 28 FR 12929, Dec. 5, 1963; T.D. 6753; 29 FR 12718, Sept. 9, 1964]

### § 49.4251-2 Rate and application of tax.

(a) *Rate of tax.* Tax is imposed on amounts paid for each of the following services rendered at the rate specified below:

Taxable service	Rate of tax (percent)
General telephone service .....	10
Toll telephone service .....	10
Telegraph service .....	10
Teletypewriter exchange service .....	10
Wire mileage service .....	10
Wire and equipment service .....	8

(b) *Amounts paid.* The term “amounts paid” means the amounts collected for the communication services specified in paragraph (a) of this section, without regard to whether the charge therefor is paid or satisfied in money, service, or other valuable consideration. For additional provisions relating to the term “amounts paid” see the section of the regulations relating to the particular taxable service listed in paragraph (a) of this section.

(c) *Liability for, and return of, tax.* The taxes imposed by section 4251 are payable by the person paying for the services rendered, and must be paid to the person rendering the services who is required to collect the tax and return and pay over the tax.

[T.D. 6664, 28 FR 7252, July 16, 1963, as amended by T.D. 8442, 57 FR 48186, Oct. 22, 1992]

### § 49.4251-3 Applicability of sections 4251 to 4254, inclusive.

Except as otherwise provided in this section, the applicability of sections 4251 to 4254, inclusive, as amended and in effect on January 1, 1959, and the regulations in this subpart extends only to amounts paid on or after January 1, 1959, for services rendered on or after such date. In the case of amounts paid pursuant to bills rendered on or after January 1, 1959, for services for which no previous bill was rendered, the sections of law and regulations referred to in the preceding sentence are applicable in respect of that portion of the amount paid pursuant to such bill or bills as is attributable to services rendered subsequent to October 31, 1958. For regulations applicable with respect to amounts paid for services rendered prior to November 1, 1958, and amounts paid for services rendered after October 31, 1958, for which a bill was rendered prior to January 1, 1959, see Part 42 of this chapter. See also §§ 49.0-3 and 49.0-4, relating to the scope of the regulations and the extent to which prior regulations are superseded.

### § 49.4251-4 Prepaid telephone cards.

(a) *In general.* In the case of communications services acquired by means of a prepaid telephone card (PTC), the face amount of the PTC is treated as an amount paid for communications services and that amount is treated as paid when the PTC is transferred by any carrier to any person that is not a carrier. This section provides rules for the application of the section 4251 tax to PTCs.

(b) *Definitions.* The following definitions apply to this section:

*Carrier* means a telecommunications carrier as defined in 47 U.S.C. 153.

*Comparable PTC* means a currently available dollar card or tariffed unit card (other than a PTC transferred in bulk or under special circumstances, such as for promotional purposes) that provides the same type and amount of communications services as the PTC to which it is being compared.

*Dollar card* means a PTC the value of which is designated by the carrier in dollars (even if also designated in units of service), provided that the designated value is not less than the